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Ladies and gentlemen, it really is a pleasure to be here and to have this opportunity to talk to you about the state of American intelligence today.

Good intelligence is more important for our country today than ever in its history. We are in an era of detente, military parity, and increasing interdependence, economically and politically. Under these circumstances, knowing what is going on in foreign countries is more important to our decision makers than it was when we were pre-eminent in these areas. I would like to describe to you some changes, some improvements that we are making in response to these new challenges.

First, how we collect intelligence, how we gather the data that we need, is changing. Basically, intelligence is collected in two ways: by human agent or the spy; and by more modern, sophisticated technical means, largely through photography or by intercepting signals that are passing through the air all around us. In recent years the sophistication of American technology has opened up all kinds of new possibilities giving us great advantages in the field of intelligence. These new techniques bring in such vast quantities of data that we are almost surfeited. Yet interestingly, a photograph or a signal, generally speaking, tells you what happened someplace yesterday, or maybe today. It does not tell you why it happened or what may happen tomorrow. Every time you present this kind of information to a decision maker he asks, why? What will happen next? Finding out what may happen next is the forte of the human intelligence agent. He is the one who probes into people's intentions, plans, and aspirations. So today, we depend on a mix of both the traditional human and the technical means of collecting information. The challenge is to bring them into a true sense of teamwork because the intelligence gathering agencies of our government are large and diverse, and are spread over a number of departments.

To bring about better teamwork, last January President Carter signed an order which gives the Director of Central Intelligence greater authority to ensure the proper coordination, the proper teamwork, between all of these intelligence collection agencies. The costs are high, the risks are considerable. It is important that we work toward the same objective, that we are not spending money or taking risks unnecessarily. It is just as important that we are not missing something because one agency thinks the other one is doing it and, in fact, neither may be. It is interesting. It is challenging.

But collecting intelligence is only half of the problem. The other half is interpreting the information you collect; asking what does it mean? Very seldom is any piece of information so clear and conclusive that everyone will agree on its interpretation. Here President Carter's order is very careful not to give the Director of Central Intelligence single, decisional authority. Why? Because it is important that all reasonable interpretations be brought forward. No analyst is infallible. We all sometimes cling to old, but what seem to us to be valid, assumptions. But when we do, we can make the same old mistake year after year. So we have different analytic agencies in the Defense Department, in the CIA, the State Department, the Department of Energy, Department of Treasury, and so on. We want interplay and competition between them. We want new ideas and fresh interpretations today particularly because the scope of what we must analyze is constantly broadening.

If you look back 30 years when a Central Intelligence function was first organized in our country, the primary concern of our intelligence effort was to learn what was going on in the Soviet military. That was seen as the greatest potential threat to our country so that is what our intelligence agencies focused on. Look how the world has changed since then. We are interested in most of the 150 some countries around the world. Our intercourse with most of those countries is more political and economic than it is military. So we have had to expand our interest from just military affairs and delve very deeply into the economic and political. Let me not overstate the case to you. Understanding the Soviet military threat must remain our number one intelligence priority. But beyond that we must now cover many other areas of legitimate interest to our country today. We must try to predict the grain harvest in the Soviet Union; to give medical prognostications on the future of national and world leaders; to understand the psychology of terrorism; to probe into the often labyrinthine workings of international drug trafficking; to forecast the economic condition of countries that do not publish economic statistics; as well as many other areas. Again, a new and exciting challenge for us.

Further complicating this picture, we must collect and analyze this information in quite a new atmosphere today. If you think back just 5 to 10 years, a Director of Central Intelligence probably would not have been here talking with you. You probably would not have invited him. In those days intelligence just was not in the headlines; it was not that much of a public topic. It was regarded as an almost totally secretive matter. But Vietnam, Watergate, and subsequent events virtually propelled intelligence activity into the headlines. There have been allegations after allegations. Investigations followed investigation. Reporters have dug up all manner of stories. And finally, former CIA agents have written books to expose everything that nobody else had exposed. Fiction and myth have become so entwined with fragments of truth that today it is nearly impossible for the public to separate them. So today we are confronted with quite a new environment in which to work. We must operate much more in the open than ever before.

You might ask, how do you do that? How can you be more open in an intelligence business and still be effective? Well, I think we can, not in spite of this openness, but because of it. Being open is being American. And as openness is one of the great strengths of our society, it can be a strength for the Intelligence Community.

Let me start by saying that it is through openness that we can earn public understanding and support. I sincerely believe that no agency of our government can flourish over the long-run unless it has the basic support of the American people. We in intelligence used to have that support simply on faith. On the implicit acceptance by the American people that this was not a subject to talk about or probe into. But, we have lost that faith. In the mid-1970's when allegations of intelligence abuses were the mainstay of every newspaper and TV documentary, the American public did not have a basic reservoir of understanding about what the intelligence agencies were doing so that they could balance their past successes with these allegations. In the absence of knowledge, the public had little choice but to accept much of what is being told. Today we are trying to build an understanding of what we do and why it is important to our country because we believe public support is important to the continuation of a good intelligence capability for our country.

How are we doing that? For one thing, we are speaking more in public like this. We are also answering media inquiries more. Many times we must still say, "no comment," but I assure you the needle isn't stuck in that groove as it has been. We are also publishing the product of intelligence more. Before I go further, let me emphasize that all these speeches, responses to the media, and publications are controlled responses made by responsible authorities. We are not just letting any intelligence professional go out and talk about anything he wants. Clearly, there must be secrets in intelligence work.

But back to an example of how we are trying to increase understanding and knowledge of what we are doing. I talked about publications. We publish 2 unclassified studies or analyses on the average each week. We take each classified study that is done within the intelligence community and determine whether, if we removed information which really must be kept secret - information which would reveal sources or deny the government of the advantage of unique information - would the remaining corpus be of interest and value to the American public? If the answer is yes, we publish. We think this effort is of value to the American public. We know it is of value to us. It makes information available to the public that might otherwise have been classified. At the same time it permits us to benefit from criticism and comment, to exchange views with more people than we normally would.

For example, in March 1977 we published our assessment of the world energy situation. Simply, we said that in our view, over the next 5 to 8 years the world would not be able to take out of the ground as

much oil as it would want to consume. That this situation would give rise to problems. Our report was not universally received as being a good forecast; however, events are beginning to prove us more and more correct in my opinion. Nonetheless, it was interesting because when we read these criticisms, largely reported in the press, I personally wrote to each of the critics and asked them to expand on their views, giving the specific reasons they thought we were wrong. I invited those who responded to come to Washington and spend a day discussing this topic with our economic analysts. It was an important day for us; one that challenged our people, put them on their mettle to defend their theses against these experts. I think both sides learned from the experience.

Interestingly, another benefit of openness is in helping us keep secrets better. That sounds like a contradiction, but it is not. One of the great problems in keeping secrets is that there are too many of them. By releasing as much information to the public as possible we reduce the quantity of secrets. When too much is classified secret, when information that really does not need to be secret is so labeled, people lose respect for those labels. They look at a document marked secret or top secret and are inclined to treat it cavalierly. One of the serious problems our country faces today is how to keep our secrets better.

Today journalism has become one of the glamor careers of college students. Investigative reporting seems the road to fame and fortune. Now there is nothing wrong with investigative reporting and those most famous of investigative reporters, Woodward and Bernstein, did a great thing for our country. But when every elected or appointed public official is viewed as suspect and every renegade "whistle-blower" is automatically accepted as a hero; when there is a greater emphasis on criticizing and tearing down our society than on building it, we are heading for real trouble.

There is no question there have been too many secrets. But secrets in themselves are not necessarily good or bad, moral or immoral. It is a fact that in each one of our personal lives, in business, in government, and particularly in the intelligence activities of our government, there must be some secrets. Some things cannot be done except in confidence; some information is useful only if it can be protected. If we revealed how we obtain information about the many closed societies in the world, for example, you can well appreciate our sources would dry up overnight. If during World War II it became known that we had broken the German and Japanese codes how long would those codes have been useful to us? The problem though, as I am sure you sense, is that while we may all concede that there are legitimate secrets in government, how do you control and limit the authority to classify information so that the system will not be abused and used to cover up improper or illegal activity?

Out of the crucible of the last several years of public criticism of intelligence, has been forged a series of mechanisms for oversight

that give good assurance to Americans that our intelligence agencies are under control. In short, if the public cannot have total access to everything we do, what can be done instead is to bring in surrogates for the public - some people, some agencies who will be given adequate information about our activities to be able to judge them.

Who are they? First, there are the President and the Vice President. People who take an intense, active interest in intelligence activities. I'm privileged to meet with the President weekly to tell him about on-going intelligence activities. Both he and the Vice President are always willing to give advice, guidance, and specific direction.

Secondly, two and a half years ago, a Presidential Intelligence Oversight Board was formed. Today this Board is comprised of three distinguished Americans, former Senator Gore of Tennessee, former Governor Scranton of Pennsylvania, and a prominent lawyer, Mr. Thomas Farmer, of Washington, D. C. Their sole purpose is to oversee the legality and propriety of what we are doing. Any member of the intelligence community, any public citizen who believes something is being done wrong may communicate directly with this Board. The Board will then investigate their allegation and report directly to the President, not to me. The President then has to decide what needs to be done.

Additionally, there is a new, in the last two years, important oversight process in the Congress of the United States. Today, there is a committee in each chamber, the Senate and the House of Representatives, dedicated only to the oversight of intelligence activities. These two committees are thorough and vigorous. They have me testify before them regularly, and I respond in the most forthright terms. They are very helpful also. They give me advice; they explore new outlooks. But, at the same time, I assure you they are scrupulous in investigating anything that they think may be mismanaged. I believe that the combination of these oversight procedures gives the American public today greater assurance than ever before that our intelligence activities are legal and proper.

There are also risks in oversight. First, the risk of leaks. The more people who know any secret, whoever they may be, the more likely it will be leaked. And secondly, there are the risks of "overmanagement." The more familiar overseers become with specific operations, the more they tend to want to get into more and more detail. Eventually instead of overseeing, they are managing. Management generally precludes good, objective oversight. So we have to watch it in both cases. We must try to achieve a balance where there is enough oversight to provide reassurance but not so much as to hobble intelligence activities. I think we are achieving that balance today, but to be candid, it probably will be another two years before we are sure that we have a stable and appropriate balance.

Is it worth the effort to have this oversight and this openness? Yes, I think it is. I think the strengths we get from openness counterbalance the risks in many ways. I have talked about public support, about preserving our secrets, about the reassurance it gives not only to the American public but to us to have a process of oversight that ensures we perform in ways that the American public would support, and in ways that conform with our foreign policy, not run counter to it.

Finally, there is another advantage to me as a manager. Oversight and its logical concomitant, accountability, makes it easier to manage any organization, especially one that is inherently secretive and risk-taking like intelligence. It is easy to be carried away with dedicated enthusiasm and perhaps to take risks that are not warranted. But when you are subjected to accountability, and recognize that you will be asked why you did something, it forces decision makers to stand behind what they do. Accountability is a very good tool for management.

In conclusion, then, there are two major trends in intelligence in our country today. We must operate in greater openness and under greater oversight but, at the same time, we must expand our areas of expertise and information to be able to give to our major policy makers the quality and scope of information they need to make good decisions. This is an important and historic time in American intelligence. We are, in my view, evolving a new, uniquely American model of intelligence. A model that is founded in the basic values of our society and yet is designed to enable us to have the capabilities that we need to gather and interpret the information which we need. We are the best in the world at intelligence today. I also assure you that I intend that we are going to stay that way.

Thank you.